

UNITED STATES OF AMERICA

BEFORE THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

WASHINGTON, D.C.

In the Matter of	:	
	:	
	:	
Carl V. Thomas, Eva June Thomas,	:	
Stephen P Thomas, Mary Beth Thomas,	:	Notice of Charges and of Hearing,
Marguerite Thomas, Charles Tomlinson,	:	Notice of the Assessment of
Herbert Phillips, Lloyd Phillips,	:	Civil Money Penalties and
R.L. Phillips, Stanley Phillips,	:	Notice of Intent to Prohibit under the
Rhonda Phillips, Scott Ward, Angela Ward,	:	Federal Deposit Insurance Act,
Forrest Buckley, James C. Crowe,	:	as Amended
Johnny V. Jones, Dale Skrobot,	:	
Betty Skrobot, James C. Agee,	:	
Harper Guinn, Jeff Guinn,	:	
and Michael Sahlgren	:	
	:	
Current and Former Institution-Affiliated	:	
Parties of First Western Bank,	:	
Cooper City, Florida;	:	
	:	
a State Member Bank	:	
	:	

The Board of Governors of the Federal Reserve System (the "Board of Governors") is of the opinion or has reasonable cause to believe that:

(A) Carl V. Thomas, Eva June Thomas ("Eva Thomas"), Stephen P. Thomas (doing business as Sophia Leasing Foundation and as Nachalah Holdings), Mary Beth Thomas, Marguerite Thomas, Charles Tomlinson, Herbert Phillips, Lloyd Phillips, R.L. Phillips, Stanley Phillips, Rhonda Phillips, Scott Ward, Angela Ward, Forrest Buckley, James C. Crowe,

Johnny V. Jones, Dale Skrobot, Betty Skrobot, James C. Agee, Harper Guinn, Jeff Guinn, and Michael Sahlgren (hereinafter collectively referred to as the "respondents"), were at times material herein, shareholders and institution-affiliated parties, as defined by 12 U.S.C. § 1813(u)(2), of First Western Bank, Cooper City, FL ("First Western"), a state member bank. The addresses of the respondents are set forth in Appendix 1.

(B) The respondents willfully and knowingly violated laws and regulations and an order issued by the Board of Governors in connection with their purchases and retention of voting shares issued by First Western. The laws violated include the Change in Bank Control Act (the "CIBC Act"), 12 U.S.C. § 1817(j), and, in the case of one respondent, 18 U.S.C. § 1001.

(C) The violations referred to in paragraph B, above:

1. Resulted in financial gain and other benefit to the respondents;
2. Involved personal dishonesty on the part of respondent Carl Thomas;
- and
3. Were part of a pattern of misconduct by respondents Carl Thomas and Stephen Thomas.

Accordingly, the Board of Governors hereby institutes this proceeding by issuing this Combined Notice of Charges and of Hearing, Notice of Assessment of Civil Money Penalties and Notice of Intent to Prohibit (the "Notice") for the purpose of determining whether appropriate orders should be issued:

- (a) Requiring the respondents to permanently cease and desist from violating applicable laws and regulations, pursuant to section 8(b) of the Federal Deposit Insurance Act, as amended (the "FDI Act"), 12 U.S.C. § 1818(b);

(b) Requiring the respondents to take affirmative action to correct or remedy conditions resulting from their violations and practices, pursuant to section 8(b) of the FDI Act, including divesting the shares of First Western that they illegally acquired;

(c) Permanently barring respondent Carl Thomas from participating in any manner in the conduct of the affairs of any institution specified in 12 U.S.C. § 1818(e)(7)(a), pursuant to section 8 (e) of the FDI Act, 12 U.S.C. § 1818(e); and

(d) Assessing civil money penalties against the respondents, pursuant to section 8(i) of the FDI Act, 12 U.S.C. § 1818(i), and section 16 of the CIBC Act, 12 U.S.C. § 1817(j).

In support of this Notice, the Board of Governors alleges as follows:

### **JURISDICTION**

1. First Western is an insured state member bank chartered and doing business under the laws of the state of Florida. At all times material, First Western was subject to the Federal Reserve Act, 12 U.S.C. § 221 et seq., the FDI Act, and the rules and regulations of the Board of Governors (12 C.F.R. § 201.1 et seq.).

2. The respondents, at times material to this Notice:

(a) Acquired and maintained control of First Western while acting in concert among themselves and with the other individuals and entities identified below;

(b) Were required to file, but failed to file, with the Board of Governors, prior written notice of their proposed acquisitions of shares constituting control of First Western, as required by the CIBC Act;

(c) Filed a retroactive notice of their acquisitions of shares constituting control of First Western with the Board of Governors, but failed to provide adequate information to support such notice as required by the CIBC Act, resulting in the Board of Governors' disapproval of their acquisitions and an order that respondents divest the First Western shares they acquired; and

(d) Were institution-affiliated parties of First Western, as defined by 12 U.S.C. 1813(u) and subject to the jurisdiction of the Board of Governors, including the Board of Governors' authority to issue cease and desist orders, removal and prohibition orders, and civil money penalty assessments and orders pursuant to sections 7(j)(16) and 8(b), (e) and (i) of the FDI Act, 12 U.S.C. §§ 1817(j)(16) and 1818(b), (e), (i).

### **APPLICABLE LAWS AND REGULATIONS**

#### **Change in Bank Control Act and Regulation Y**

3. The CIBC Act and Regulation Y require the Board of Governors to review the financial condition, competence, experience, and integrity of each person by and for whom shares of a state member bank are acquired. (12 U.S.C. § 1817(j)(2)(B)(i); 12 C.F.R. § 225.43). To ensure that the Board of Governors has sufficient opportunity to review the qualifications of such persons, the CIBC Act and Regulation Y provide that no person acting directly or indirectly or through or in concert with one or more other persons, may acquire control of any state member bank unless the Board of Governors has been given at least sixty days prior written notice and has not disapproved the acquisition. 12 U.S.C. § 1817j(1); 12 C.F.R. § 225.41.

4. The CIBC Act defines "control" as the power, directly or indirectly, to direct the management or policies of a state member bank or to vote twenty-five percent or more of any class of voting securities of a state member bank. (12 U.S.C. § 1817 (j)(8)(B)). Pursuant to section 225.41(c)(2) of Regulation Y (12 C.F.R. § 225.41(c)(2)), a presumption of "control" also arises whenever a person or persons acting in concert acquire 10 percent or more of any class of voting securities of a state member bank and no other shareholder owns a larger percentage of shares.

5. Section 225.41(b)(2) of Regulation Y (12 C.F.R. § 225.41(b)(2)) defines "acting in concert" to include knowing participation in a joint activity or parallel action toward a



common goal of acquiring control of a state member bank whether or not pursuant to an express agreement.

6. Pursuant to section 225.41(b)(3) of Regulation Y (12 C.F.R. § 225.41(c)(3)), and as used hereinafter, the term “immediate family” includes a person’s father, mother, stepfather, stepmother, brother, sister, stepbrother, stepsister, son, daughter, stepson, stepdaughter, grandparent, grandson, granddaughter, father-in-law, mother-in-law, brother-in-law, sister-in-law, son-in-law, daughter-in-law, the spouse of any of the foregoing, and the person’s spouse. Pursuant to 12 C.F.R. § 225.41(d)(2), an individual and the individual’s “immediate family” are presumed to be acting in concert.

7. The CIBC Act sets forth information that must be included in a notice filed pursuant to the CIBC Act in order to ensure that the Board has sufficient information to fulfill its statutory responsibilities to evaluate the fitness and other qualifications of the person or persons seeking to acquire control of a state member bank. 12 U.S.C. § 1817(j)(6)(A) through D.

Among other things, these provisions require that the notice contain:

(a) The identity of each person on whose behalf the acquisitions are being made together with information regarding each person’s personal history, business background, and financial condition;

(b) The terms, and conditions of each acquisition and the manner in which each acquisition will be made;

(c) The identity, source, and amount of the funds or other consideration used or to be used in making each acquisition, including the names of any persons or entities loaning or otherwise providing funds for the acquisitions; and

(d) Any additional relevant information in such form as the Board of Governors may require by regulation or specific request.

8. Pursuant to the CIBC Act, the Board of Governors is required to make an independent determination that the information filed by the each person as part of his or her notice is accurate and complete. (12 U.S.C. § 1817(j)(2)(B)(ii)). The CIBC Act and Regulation Y, specifically authorize the Board of Governors to disapprove an acquisition of the shares if any acquiring person neglects, fails, or refuses to furnish all the information required by the Board of Governors. 12 U.S.C. § 1817(j)(7)(D) and 12 C.F.R. § 225.43(h)(1).

#### **False Statements**

9. Pursuant to 18 U.S.C. § 1001, it is a punishable crime for a person to knowingly and willfully: (1) falsify, conceal, or cover up by any trick, scheme, or device a material fact; (2) make any materially false, fictitious, or fraudulent statement or representation; or (3) make or use any false writing or document knowing the same to contain any materially false, fictitious, or fraudulent statement or entry, in a matter within the jurisdiction of a federal agency.

#### **BACKGROUND**

10. During the period from at least January 1, 1996 through August 6, 1999, Greater Ministries International, Inc., a/k/a Greater Ministries Church, Greater Ministries International Church, Greater Ministries International, and Greater Trust (hereinafter "GMI") was an entity directed, managed, and controlled by Gerald Payne ("Payne") and a Board of "Elders" with a principal domestic office located at 715 East Bird Street, Tampa, Florida. During this period, GMI held itself out as a religious and charitable organization with various investments of significant value, including trading investments and gold and diamond mines. GMI also operated a program, hereinafter referred to as the "Gifting Program," pursuant to

which GMI's members, adherents, associates, volunteers, agents, participants, or followers (hereinafter collectively referred to as "GMI's members" or "GMI's membership") provided funds to GMI with the understanding, expectation, or assurance that such funds would double in value and be available to the providers of the funds within a stated period of time.

11. From at least October, 1996, through July, 1998, GMI and GMI's members established and maintained account relationships with the now defunct BestBank, Boulder, Colorado ("BestBank"). Among these relationships were debit card accounts that GMI and BestBank arranged to open for GMI's members. GMI and its members used these accounts for, among other things, the transfer of funds between GMI and its members.

12. In order to expand its account and other relationships with financial institutions and facilitate its financial operations and activities, including the operation of the Gifting Program, GMI attempted to purchase or acquire control of a financial institution in its own name in 1996 and 1997. However, GMI was unsuccessful in these attempts.

13. In 1999, several states seeking reimbursement or restitution on behalf of their citizens for fraudulent violations of federal and state securities laws filed Civil Action No. 99-1786-CIV-T-26-F in the United States District Court for the Middle District of Florida, Tampa District (the "district court"), against GMI and its Elders as defendants. In connection with this action, in August 1999, the district court entered orders placing GMI into receivership.

14. On or about August 26, 1999, the district court appointed a trustee in a separate bankruptcy proceeding that was filed against GMI.

15. In March, 1999, Payne, his wife, and six other GMI officials were indicted by a federal grand jury in Tampa, Florida in Case No. 99-CR-T-25F for fraud, money

laundering, and related conspiracy counts in connection with GMI's operation of the Gifting Program. Thereafter, all defendants either pleaded guilty or were convicted in the district court for their roles in promoting, furthering, and assisting in GMI's Gifting Program, a Ponzi-scheme through which GMI defrauded thousands of residents of the United States of millions of dollars.

### **FACTUAL ALLEGATIONS**

#### **The Purchasing Group**

16. In 1997, after GMI's unsuccessful attempts to acquire control of a financial institution, a group of GMI members and persons sympathetic to GMI decided to organize and direct a purchasing group to acquire such control and to secure favorable account relationships for GMI and its members. The persons implementing this plan included respondent Carl Thomas, an Elder of GMI; respondent Stephen Thomas, the son of respondent Carl Thomas; respondent Eva Thomas, the wife of respondent Carl Thomas; and respondent Charles Tomlinson, a friend and business associate of respondent Carl Thomas.

17. Based on the relationships shown below, the following persons are also members of the "immediate family" of respondent Carl Thomas for purposes of 12 C.F.R. § 225.41(b)(3):

<u>Respondent</u>	<u>Relationship</u>
Eva Thomas	Spouse of Carl Thomas
Stephen Thomas	Son of Carl Thomas
Mary Beth Thomas	Daughter-in-law of Carl Thomas
Marguerite Thomas	Mother of Carl Thomas
William Barber	Brother-in-law of Carl Thomas

18. To carry out the plan to acquire control of a financial institution, respondents Carl Thomas, Stephen Thomas, Eva Thomas and Charles Tomlinson directly and indirectly encouraged and induced respondents Mary Beth Thomas, Marguerite Thomas,

Herbert Phillips, Lloyd Phillips, R.L. Phillips, Stanley Phillips, Rhonda Phillips, Scott Ward, Angela Ward, Forrest Buckley, James C. Crowe, Johnny V. Jones, Dale Skrobot, Betty Skrobot, James Agee, Harper Guinn, Jeff Guinn, and Michael Sahlgren, and twenty-one other individuals and entities who have since entered into Consent Orders with the Board of Governors, to acquire voting shares of First Western with funds to be provided or reimbursed by GMI. The respondents named in this Notice and the twenty-one other individuals and entities referred to in this paragraph will hereinafter be referred to collectively as the "Purchasing Group."

19. Respondents Carl Thomas, Stephen Thomas, and Eva Thomas directly and indirectly persuaded the members of the Purchasing Group to make their purchases of First Western shares through promises and assurances that GMI would provide the funds for the purchases or reimburse the members for such purchases, through representations that the purchases would benefit GMI, and through other communications and solicitations that appealed to the members' religious convictions or self-interest.

20. The members of the Purchasing Group were not all personally acquainted with one another, but shared a number of family, social, religious, and business relationships between and among themselves. All members of the Purchasing Group were members of GMI or participants in GMI's Gifting Program at the time of their purchases or shortly thereafter. When they purchased their First Western shares on or about the dates and in the transactions shown in Appendix 2 to this Notice, the members of the Purchasing Group knew or understood that they were participating in a joint activity or parallel action with others in acquiring such shares and in refusing to divest them in contravention of applicable legal requirements.

### **The Purchasing Group's Acquisition of First Western's Shares**

21. On or about August 4, 1997, respondents Carl Thomas, Eva Thomas, Stephen Thomas, and Charles Tomlinson met with Gerald Payne and three First Western officers to discuss the acquisition of First Western shares by members of the Purchasing Group and the establishment and maintenance of accounts and other business relationships between such members and First Western and between GMI and First Western. Around the time of this meeting, First Western personnel provided respondents Carl Thomas and Stephen Thomas with a list of the bank's current shareholders to assist the respondents in identifying and locating owners of First Western shares who were willing to sell their shares to the members of the Purchasing Group.

22. During the period from approximately August 17, 1997, through September 11, 1997, respondents Carl Thomas and Eva Thomas made the Purchasing Group's first acquisitions by purchasing 2,721 voting shares issued by First Western.

23. On or about September 19, 1997, respondent Stephen Thomas, doing business as Sophia Leasing Foundation, made the Purchasing Group's next acquisition by purchasing 575 voting shares issued by First Western.

24. On or about October 10, 1997, GMI transferred \$300,000 into the BestBank account of respondent Carl Thomas. Thereafter, respondents Carl Thomas and Eva Thomas used approximately \$159,000 of these funds to acquire their own First Western shares, and transferred approximately \$121,000 to other members of the Purchasing Group or their agents for acquisitions of First Western shares by those members.

25. On or about October 10, 1997, GMI also transferred \$300,000 into the BestBank account of respondent Stephen Thomas. Thereafter, respondent Stephen Thomas transferred approximately \$275,000 of these funds to other members of the Purchasing Group or their agents for acquisitions of First Western shares by those members.

26. On or about October 10, 1997, GMI wired \$300,000 into the Sunshine State Savings and Loan Association account of respondent Charles Tomlinson. Thereafter, respondent Tomlinson used approximately \$171,000 of these funds to acquire First Western shares in his name.

27. Beginning in early October, 1997, other members of the Purchasing Group also began to acquire First Western's voting shares in their own names. The acquisitions by the members of the Purchasing Group were made on or about the dates and in the transactions shown on Appendix 2. With one exception, the members of the Purchasing Group acquired their shares with funds received directly or indirectly from GMI, or the members were reimbursed for their acquisitions with GMI funds. The members considered these funds to be gifts from GMI. In most cases, purchases of shares were recorded on the share register of First Western under the names of the individual purchasers.

28. In connection with the acquisitions shown on Appendix 2, respondents Carl Thomas, Eva Thomas, and Stephen Thomas, directly or indirectly:

- (a) Provided names, phone numbers and other information concerning individuals and entities willing to sell First Western shares to members of the Purchasing Group;

- (b) Negotiated or established the price to be paid by members of the Purchasing Group to the sellers for the First Western shares and communicated this information to the members of the Purchasing Group;

(c) Provided GMI funds, or arranged for, or assisted in the transfer of GMI's funds, to the members of the Purchasing Group to pay for their purchases or to reimburse or compensate the members for their purchases; and

(d) Arranged for and assisted in transmitting payments to the sellers of the shares, and in transferring ownership of those shares to the members of the Purchasing Group, by retaining and directing escrow or other agents, communicating with First Western staff, and coordinating the communications and actions by, between, and among the members of the Purchasing Group, the sellers, the agents, First Western personnel, and other participants in the transactions.

29. By approximately October 16, 1997, the members of the Purchasing Group, through their concerted action, had acquired in excess of ten percent of the outstanding shares of First Western as set forth in Appendix 2. The respondents and other members of the Purchasing Group failed to file prior written notice of these purchases with the Board of Governors as required by the CIBC Act and the regulations issued thereunder and failed to submit evidence rebutting the presumption that the Purchasing Group acquired control of First Western.

30. Upon learning in October, 1997, that persons and entities from the same geographical region in the state of Georgia had acquired in excess of ten percent of the voting shares of First Western within a short span of time, Federal Reserve staff initiated a series of communications with the members of the Purchasing Group to advise them of the requirements of the CIBC Act and the Board's regulations. In these communications, the staff informed the respondents of the Board of Governors' responsibility under the CIBC Act and the regulations to determine, among other things, whether the financial condition of the members of the Purchasing Group could jeopardize the financial stability of First Western or prejudice the interests of First



Western's depositors, and whether it would not be in the public interest to permit the acquisitions based on the competence, experience, integrity, and financial ability of the acquirers.

31. The first of these communications were letters dated October 28, 1997 through November 17, 1997 that Federal Reserve staff sent to respondents Carl Thomas, Eva Thomas, Stephen Thomas, d/b/a Sophia Leasing Foundation, Mary Beth Thomas, Herbert Phillips, Lloyd Phillips, R.L. Phillips, Stanley and Rhonda Phillips, Scott Ward, Angela Ward, Forrest Buckley, James Crowe, Johnny V. Jones, James Agee, and other members of the Purchasing Group who have entered into consent orders with the Board of Governors. These letters enclosed copies of the CIBC Act and regulations and informed the recipients that ownership of 25 percent or more of the outstanding shares of First Western by a person or a group acting in concert constituted control of the institution, and that ownership of at least ten percent of such shares by a person or a group acting in concert gave rise to a presumption of such control. The letters also advised the recipients of the need for them to provide specified information, including the number of shares owned by each recipient, the identities of the sellers from whom the shares were acquired, the dates acquired, and the sources of funds for their acquisitions.

32. Respondents Carl Thomas and Stephen Thomas organized, counseled, or encouraged the recipients of the staff's letters to respond that the CIBC Act and regulations did not apply to them, without providing any information about their ownership or source of funds, or to make no response whatsoever.

33. By approximately December 2, 1997, the members of the Purchasing Group had acquired, through their concerted action, approximately 24.74 percent of the

outstanding voting shares of First Western. As of that date, respondents Carl Thomas and Eva Thomas had acquired 18,814 shares of First Western.

34. On December 2, 1997, respondents Carl Thomas and Eva Thomas purchased 1,712 shares from Rhoda Waas, Fred and Sue Diamond, and Clubs Agency (hereinafter collectively referred to as the "December shares") with a portion of the funds that had been transferred by GMI to respondent Carl Thomas's BestBank account on or about October 10, 1997. Then, on or about November 13, 1997, said respondents transferred funds for these purchases from that account to Elaine Watts ("Watts"), respondent Carl Thomas's sister-in-law, and Watts later transferred these funds to an escrow agent working on respondents' behalf. The funds were transferred to the sellers of the December shares on December 2, 1997. As a result of these purchases, the Purchasing Group acquired more than twenty-five percent of the outstanding voting shares of First Western. Respondent Carl Thomas did not report these purchases to First Western, as he had reported earlier purchases, in order to avoid the registration of this ownership on First Western's books and records, which would reveal it to the Federal Reserve and state regulators.

35. By letter dated December 9, 1997, respondent Carl Thomas provided Federal Reserve staff with a "Draft" CIBC notice in response to the staff's previous communications and request for information. In this submission, respondent Carl Thomas represented that he and his wife had acquired a total of 18,814 First Western shares from four identified sellers. In truth and in fact, respondents Carl and Eva Thomas had at that point acquired a total of at least 20,539 First Western shares from seven sellers. In making this submission, respondent Carl Thomas intended to conceal and did conceal from Federal Reserve

staff his purchases of the December shares and the fact that the ownership of the Purchasing Group exceeded twenty-five percent of First Western's outstanding voting shares.

36. On or about December 17, 1997, at a meeting at the Federal Reserve Bank of Atlanta, respondent Carl Thomas responded to Federal Reserve staff's inquiries concerning the number of First Western shares he and respondent Eva Thomas had acquired, the identities of the sellers, and the source of funds for those acquisitions, by again representing that he and his wife had acquired a total of 18,814 First Western shares from four identified sellers. In truth and in fact, respondents Carl and Eva Thomas had at that point acquired a total of at least 20,539 First Western shares from seven sellers. In making this representation, respondent Carl Thomas intended to conceal and did conceal from the staff the purchases of the December shares and the fact that the ownership of the Purchasing Group exceeded twenty-five percent of First Western's outstanding voting shares.

37. In a written submission dated December 22, 1997, respondent Carl Thomas responded to Federal Reserve inquiries concerning the number of First Western shares he and respondent Eva Thomas had acquired, the identities of the sellers, and the sources of funds for those acquisitions, by again representing that he and respondent Eva Thomas had acquired a total of 18,814 First Western shares from four identified sellers. In truth and in fact, the two respondents had at that point acquired a total of at least 20,539 First Western shares from seven sellers. In making this submission, respondent Carl Thomas intended to conceal and did conceal from the staff the purchases of the December shares and the fact that the ownership of the Purchasing Group exceeded twenty-five percent of First Western's outstanding voting shares.

38. In letters dated December 26, 1997, Federal Reserve staff again informed respondents Carl Thomas and Eva Thomas, Mary Beth Thomas, Charles Tomlinson, Herbert Phillips, Lloyd Phillips, R.L. Phillips, Scott and Angela Ward, Forrest Buckley, James Crowe, Johnny V. Jones, James Agee, Michael Sahlgren, Jeff Guinn, Dale and Betty Skrobot, Stanley and Rhonda Phillips, and other members of the Purchasing Group who have entered into consent orders with the Board of Governors of the requirements of the CIBC Act and of the need for the recipients to provide the staff with specified information, including the number of shares owned by each recipient, the identities of the sellers from whom the shares were acquired, the dates acquired, and the sources of funds for their acquisitions.

39. The respondents who received the December 26, 1997 letter failed to disclose that their source of funds for the purchases was money received from GMI.

40. On or about February 12, 1998, respondents Carl Thomas and Eva Thomas purchased 12,500 shares from Carolyn Hinson and the estate of Clyde Hinson (the "Hinson shares"). Respondents Carl Thomas and Eva Thomas purchased the Hinson shares with a portion of the funds that had been transferred by GMI to respondent Stephen Thomas's BestBank account on or about October 10, 1997. Respondent Stephen Thomas had transferred \$150,000 of these GMI funds to Watts on or about October 16, 1997, and Watts later transferred these funds to an escrow agent working on respondents' behalf. On February 12, 1998, the funds were transferred to the sellers of the Hinson shares. As shown on Appendix 2, the purchase of the Hinson shares placed the collective ownership of respondents Carl and Eva Thomas and their "immediate family," as defined by 12 C.F.R. § 225.41(c)(3), over ten percent of First Western's outstanding shares. Respondents Carl and Eva Thomas did not report the purchases of the

Hinson shares to First Western, as they had reported some earlier purchases, in order to avoid the registration of this ownership on First Western's books and records, which would reveal it to the Federal Reserve and state regulators.

41. On or about February 26, 1998, respondent Charles Tomlinson made the last known purchase by the members of the Purchasing Group when he acquired an additional 2,875 shares. This acquisition placed the collective ownership of the Purchasing Group at more than twenty-nine percent of the outstanding voting shares of First Western.

42. On or about April 10, 1998, in a written submission responding to Federal Reserve inquiries concerning the number of First Western shares he had acquired, the identities of the sellers, and the sources of funds for those acquisitions, respondent Carl Thomas again represented that he owned only 18,814 First Western shares. In truth and in fact, respondent Carl Thomas at that point owned, individually or jointly, at least 33,039 First Western shares. In making this submission, respondent Carl Thomas intended to conceal and did conceal from the staff the purchases of the December shares and the Hinson shares. Respondent Carl Thomas also intended to conceal and did conceal from the staff that the collective ownership of the Purchasing Group exceeded twenty-five percent of First Western's outstanding shares; and that the collective ownership of respondent Carl Thomas and his "immediate family" members exceeded ten percent of the outstanding shares of First Western.

43. After the acquisitions set forth on Appendix 2 were completed, Federal Reserve staff continued to communicate with members of the Purchasing Group in an attempt to convince them to voluntarily comply with the CIBC Act and regulations by either filing a notice with the necessary information or divesting their shares to a level of ownership that did not

constitute control of First Western. Respondents Carl Thomas and Stephen Thomas at various times acted as agents, representatives, and spokesmen for the members of the Purchasing Group by receiving the staff's requests for information, communicating those requests to the members of the Purchasing Group, and collecting information from the Purchasing Group to provide to the staff in response to its requests.

44. On or about August 17, 1998, Federal Reserve staff received a notice of proposed change in control (the "CIBC Notice") submitted by respondent Carl Thomas on his own behalf to acquire up to 10 percent of the outstanding shares of First Western, and on behalf of the members of the Purchasing Group to collectively retain 28.37 percent of the outstanding shares of First Western. The CIBC Notice contained certifications signed by respondents Carl Thomas, Eva Thomas, Stephen Thomas, and by each other member of the Purchasing Group, stating the number of shares they owned, the price they paid per share, and the identities of the sellers from whom they acquired their shares. The certification signed by respondents Carl Thomas and Eva Thomas stated that they owned 18,814 shares. The CIBC Notice disclosed that the December shares and the Hinson shares were among the Purchasing Group's acquisitions but were held "in open title." However, the Purchasing Group's ownership of the December shares and the Hinson shares was already known to First Western and Federal Reserve staff because the previous owners had responded to First Western's proxy solicitations by informing the institution that they had sold their shares. The CIBC Notice did not disclose that GMI was the source of funds for almost all of the Purchasing Group's acquisitions.

45. The CIBC Notice had informational deficiencies, including the lack of information showing the source of funds for the Purchasing Group's acquisitions. During the

period from approximately August 24, 1998 through December 22, 1998, Federal Reserve staff requested additional information from the Purchasing Group to correct these deficiencies.

However, the Purchasing Group failed to correct these informational deficiencies.

**The Board of Governors' Disapproval of the CIBC Notice and Order to Divest**

46. On or about February 10, 1999, the Board of Governors issued an order (the "Board's Order") in which it found that the members of the Purchasing Group were acting in concert for purposes of the CIBC Act, and in which it disapproved the CIBC Notice filed by the members based on the Purchasing Group's continuing failure to provide material information required to be filed and necessary for the Board of Governors' review of the CIBC Notice. The Board's Order was served on each respondent and ordered each respondent to divest his or her shares within ninety days of receipt of the Board's Order. The respondents were advised of their rights to submit a written request for a hearing on the Board of Governors' determination within ten days of receipt of the Board's Order, but then failed to make any such request.

47. Respondents failed to divest their shares within the ninety days provided in the Board's Order and were thereafter advised that they would be subject to enforcement action, including the assessment of civil money penalties, for their continuing violations of the CIBC Act and regulations. As they had in the past, respondents Carl Thomas, Eva Thomas and Stephen Thomas encouraged the other members of the Purchasing Group to retain their shares and to disregard the order to divest.

48. From the time the Purchasing Group acquired the First Western shares, the members of the Purchasing Group acted in concert in acquiring their shares, responding to regulatory requests for information, and maintaining ownership in their shares. Throughout this

period, respondents Carl Thomas and Stephen Thomas directly and indirectly instructed and advised the members of the Purchasing Group concerning the nature and content of the information they should provide, and the nature and content of information they should withhold, from Federal Reserve staff. In organizing and effecting the Purchasing Group's concerted responses to the Board of Governors' requests and actions, respondents Carl Thomas and Stephen Thomas directly or indirectly instructed and advised the members of the Purchasing Group to, among other things:

(a) Deny they were acting in concert as a group in purchasing their First Western shares and deny that they were legally required to file notice under the CIBC Act;

(b) Deny that the provisions of Title 12 of the United States Code and of regulations that Federal Reserve staff had cited as bases for the Board's authority, were legally effective or applicable to the members; and

(c) Withhold information concerning their receipt of funds from Greater Ministries, the use of such funds to purchase First Western shares, the purposes of their acquisitions, and the facts and circumstances that led to their purchases.

49. At times material to this Notice, respondents Carl Thomas and Stephen Thomas received funds from GMI for their services in organizing and directing the acquisitions of the Purchasing Group and the Purchasing Group's responses to regulatory requests and orders, which funds exceeded the amounts they received for purchasing their shares.

50. As of the date of the filing of this Notice, each of the respondents, other than respondent Harper Guinn, continue to own and control voting shares of First Western in violation of the CIBC Act, the regulations, and the Board's Order.



51. Respondent Harper Guinn failed to divest his shares as required by the CIBC Act, the regulations, and the Board's Order, and continued these violations until approximately February, 2002, when he sold his First Western shares.

### **VIOLATIONS OF LAWS, REGULATIONS, AND THE BOARD'S ORDER**

#### **Violations of the CIBC Act and Sections 225.41 and 225.43 of the Board's Regulations**

52. By reason of the facts alleged in paragraphs 16 to 51, respondents willfully or knowingly violated section 7(j)(1) of the FDI Act (12 U.S.C. § 1817(j)(1)), and sections 225.41 and 225.43 of the Board's regulations in that respondents, acting in concert with the other members of the Purchasing Group, acquired control of First Western through their acquisition and ownership of First Western's shares without filing prior written notice of their acquisitions. Respondent Harper Guinn's violation continued until he divested his First Western shares in February, 2002. The violations of the other named respondents are continuing.

#### **Violations of 18 U.S.C. § 1001**

53. By reason of the facts alleged in paragraphs 34 to 37, 40, and 42, respondent Carl Thomas, while subject to a legal duty to provide specified information concerning the number of First Western shares he acquired, the identities of the sellers from whom he acquired the shares, and his sources of funds for the acquisitions, committed knowing and willful violations of 18 U.S.C. § 1001 in that respondent:

- (a) Falsified, concealed, or covered up by trick, scheme, or device, material facts concerning such purchases;
- (b) Made materially false, fictitious, and fraudulent statements or representations concerning such purchases;

(c) Made or used false writings or documents, knowing the same to contain materially false, fictitious, and fraudulent statements or entries, concerning such purchases.

#### **Violations of the Board's Order**

54. By reason of the facts alleged in paragraphs 46, 47, 50, and 51, the respondents have violated and, with the exception of respondent Harper Guinn, continue to violate the Board's Order by failing to divest their First Western shares.

#### **Prohibition Action Against Carl Thomas**

##### **Misconduct by Respondent Carl Thomas**

55. As set forth in paragraphs 16 through 50, respondent Carl Thomas violated the CIBC Act and the Board's regulations, violated 18 U.S.C. § 1001, and violated the Board's Order to divest his First Western shares.

##### **Financial Gain and Other Benefit to Respondent Carl Thomas**

56. As set forth in paragraphs 24 and 49, respondent Carl Thomas received financial gain and other benefit by reason of his violations of law and regulations in that respondent Carl Thomas received funds from GMI in compensation for his role in organizing and directing the Purchasing Group's acquisitions of First Western shares.

##### **Personal Dishonesty of Respondent Carl Thomas**

57. As set forth in paragraphs 32 to 40, and 42, respondent Carl Thomas demonstrated personal dishonesty in that, while subject to a legal duty to provide specified information pursuant to 12 U.S.C. § 1817j (6) (A) through (D), he knowingly and willfully committed violations of 18 U.S.C. § 1001 and otherwise made, participated in, or failed to correct oral and written representations to Federal Reserve staff that respondent knew were

materially false, fictitious, or fraudulent, or that respondent intended to use to conceal information from Federal Reserve staff concerning his purchases of First Western shares.

#### **ASSESSMENTS OF CIVIL MONEY PENALTIES**

58. Under sections 7(j)(16)(A) and 8(i)(2)(A) of the FDI Act (12 U.S.C. §§ 1817(j)(16)(A) and 1818(i)(2)(A)), as modified by 28 U.S.C. § 2461 and 12 C.F.R. § 263.65, the Board may assess a civil money penalty of up to \$5,500 a day for each day a violation of law, regulation, or order under the CIBC Act continues. Under sections 7(j)(16)(B) and 8(i)(2)(B) of the FDI Act (12 U.S.C. §§ 1817(j)(16)(B) and 1818(i)(2)(B)), as modified by 28 U.S.C. § 2461 and 12 C.F.R. § 263.65, the Board may assess a civil money penalty of up to \$27,500 a day for each day a violation of law, regulation, or order under the CIBC Act, which is part of a pattern of misconduct or results in pecuniary gain or other benefit, continues.

#### **Pattern of Misconduct by Respondents Carl Thomas and Stephen Thomas**

59. The violations of the CIBC Act and regulations and the violations of the Board's Order committed by respondents Carl Thomas and Stephen Thomas, and the violation of 18 U.S.C. § 1001 committed by respondent Carl Thomas were part of a pattern of misconduct whereby, over a period of time extending from at least August 4, 1997 through June, 1999: (a) respondents Carl Thomas and Stephen Thomas encouraged, instructed, assisted, and induced the members of the Purchasing Group to acquire a controlling interest in First Western knowing that such acquisitions were in violation of the CIBC Act and regulations; to withhold information from Federal Reserve staff concerning their acquisitions; and to maintain their ownership of the First Western shares after the issuance of the Board's Order to divest; and (b) respondent

Carl Thomas knowingly and willfully provided false and materially incomplete information to the Federal Reserve in connection with the acquisitions.

**Duration of the Violations**

60. As set forth in paragraphs 34 to 50 and 52 above, respondent Carl Thomas's violation of the CIBC Act and sections 225.41 and 225.43 of the Board's regulations continued from at least December 2, 1997 to the present, a period of no less than 1825 days. As set forth in paragraphs 46, 47, 50 and 54 above, respondent Carl Thomas's violation of the Board's Order continued from at least June 1, 1999 to the present, a period of no less than 1275 days. As set forth in paragraphs 34 to 37, 40, 42, and 53 above, respondent Carl Thomas's violation of 18 U.S.C. § 1001 continued from at least December 9, 1997 to the present, a period of no less than 1818 days. Accordingly, the civil money penalty assessed by the Board against respondent Carl Thomas may not exceed \$27,500 a day for 4918 days, or \$135,245,000.

61. As set forth in paragraphs 34 to 48, 50 and 52 above, respondent Stephen Thomas's violation of the CIBC Act and sections 225.41 and 225.43 of the Board's regulations continued from at least December 2, 1997 to the present, a period of no less than 1825 days. As set forth in paragraphs 46, 47, 50 and 54 above, respondent Stephen Thomas's violation of the Board's Order continued from at least June 1, 1999 to the present, a period of no less than 1275 days. Accordingly, the civil money penalty assessed by the Board against respondent Stephen Thomas may not exceed \$27,500 a day for 3100 days, or \$85,250,000.

62. As set forth in paragraphs 34 to 48, 50 and 52 above, respondents Eva Thomas, Mary Beth Thomas, Marguerite Thomas, Charles Tomlinson, Herbert Phillips, Lloyd Phillips, R. L. Phillips, Stanley Phillips, Rhonda Phillips, Scott Ward, Angela Ward,

Forrest Buckley, James Crowe, Johnny V. Jones, Dale Skrobot, Betty Skrobot, James Agee, Jeff Guinn, and Michael Sahlgren's violations of the CIBC Act and sections 225.41 and 225.43 of the Board's regulations continued from at least December 2, 1997 to the present, a period of no less than 1825 days. As set forth in paragraphs 46, 47, 50 and 54 above, respondents Eva Thomas, Mary Beth Thomas, Marguerite Thomas, Charles Tomlinson, Herbert Phillips, Lloyd Phillips, R. L. Phillips, Stanley Phillips, Rhonda Phillips, Scott Ward, Angela Ward, Forrest Buckley, James Crowe, Johnny V. Jones, Dale Skrobot, Betty Skrobot, James Agee, Jeff Guinn, and Michael Sahlgren's violations of the Board's Order continued from at least June 1, 1999 to the present, a period of no less than 1275 days. Accordingly, the civil money penalty assessed by the Board against each of these respondents may not exceed \$5,500 a day for 3100 days, or \$17,050,000.

63. As set forth in paragraphs 34 to 48, 51 and 52 above, respondent Harper Guinn's violation of the CIBC Act and sections 225.41 and 225.43 of the Board's regulations continued from at least December 2, 1997 to February 1, 2002, a period of no less than 1520 days. As set forth in paragraphs 46, 47, 50 and 54 above, respondent Harper Guinn's violation of the Board's Order continued from at least June 1, 1999 to February 1, 2002, a period no less than 970 days. Accordingly, the civil money penalty assessed by the Board against respondent Carl Thomas may not exceed \$5,500 a day for 2490 days, or \$13,695,000.

64. After taking into account the size of the respondents' financial resources, their good faith or lack thereof, the gravity of their violations described herein, the history of previous violations, the economic benefit derived from their violations, and such other matters as justice may require, the Board of Governors hereby assesses civil money penalties as follows:

- (1) Two Hundred, Fifty Thousand dollars (\$250,000) jointly and severally against respondents Carl Thomas and Eva Thomas;
- (2) One Hundred Thousand dollars (\$100,000) against respondent Stephen Thomas;
- (3) Sixty Thousand dollars (\$60,000) against respondent Charles Tomlinson;
- (4) Thirty Thousand dollars (\$30,000) against respondent R.L. Phillips;
- (5) Fifteen Thousand dollars (\$15,000) against respondent James Crowe;
- (6) Ten Thousand dollars (\$10,000) jointly and severally against respondents Stanley Phillips and Rhonda Phillips;
- (7) Ten Thousand dollars (\$10,000) jointly and severally against respondents Dale Skrobot and Betty Skrobot;
- (8) Ten Thousand dollars (\$10,000) jointly and severally against respondents Scott Ward and Angela Ward;
- (9) Ten Thousand dollars (\$10,000) individually against each of the following respondents: Mary Beth Thomas, Marguerite Thomas, Herbert Phillips, Lloyd Phillips, Forrest Buckley, Johnny V. Jones, James Agee, Jeff Guinn, Michael Sahlgren, and Harper Guinn.

65. The penalties set forth in paragraph 64 hereof are assessed by the Board of Governors pursuant to sections 7(j)(16) and 8(i) of the FDI Act, 12 U.S.C. § 1817(j)(16) and § 1818(i), and the Board of Governors' Rules of Practice for Hearing ("Rules of Practice"), 12 C.F.R. § 263, Subpart C. Remittance of the penalties set forth herein shall be made within 60 days of the date of this Notice, in immediately available funds, payable to the order of the Secretary of the Board of Governors of the Federal Reserve System, Washington, D.C. 20551, who shall make remittance of the same to the Treasury of the United States.

66. Notice is hereby given, pursuant to section 8(i)(2) of the FDI Act, 12 U.S.C § 1818(i)(2), and section 263.19 of the Rules of Practice, 12 C.F.R. § 263.19, that the respondents are afforded an opportunity for a formal hearing before the Board of Governors concerning this assessment. As required by section 263.19(a) of the Rules of Practice, a request for such hearing must be filed with the Office of Financial Institution Adjudication (the "OFIA") within 20 days after the issuance and service of this Notice of Assessment. Pursuant to section 263.11(a) of the Rules of Practice, any request for a hearing filed with OFIA shall be served on the Secretary of the Board of Governors. A hearing, if requested, will be public unless the Board of Governors shall determine that a public hearing would be contrary to the public interest, and in all other respects will be conducted in compliance with the provisions of the FDI Act and the Rules of Practice before an administrative law judge. The hearing described above may, in the discretion of the Board of Governors, be combined with any other hearing to be held on the matters set forth in this Notice.

67. In the event that any respondent shall fail to request a hearing within the aforementioned 20-day period, that respondent shall be deemed, pursuant to section 263.19(c)(2) of the Rules of Practice, to have waived the right to a formal hearing, and this Notice shall, pursuant to section 8(i)(2) of the FDI Act, constitute a final and unappealable assessment order.

**General Procedural Matters**

68. Notice is hereby given that a hearing will be held on \_\_\_\_\_, 2003, at the Federal Reserve Bank of Atlanta, Atlanta, Georgia, or any other place properly designated by the presiding administrative law judge for the purpose of taking evidence on the charges herein before specified;

(a) to determine whether an appropriate order should be issued pursuant to section 8(b) of the FDI Act, 12 U.S.C. § 1818(b), requiring the respondents to cease-and-desist from future violations of law and to take affirmative action to correct previous violations, including an order to divest their shares of First Western Bank or other appropriate relief; and

(b) to determine whether an appropriate order should be issued pursuant to section 8(e) of the FDI Act to prohibit future participation of respondent Carl Thomas in the affairs of, inter alia, any insured depository institution or holding company thereof.

69. The hearing referred to in paragraph 68 hereof shall be held before an administrative law judge to be appointed from the OFIA, pursuant to section 263.54 of the Rules of Practice, 12 C.F.R. § 263.54. The hearing shall be public, unless the Board of Governors determines that a public hearing would be contrary to the public interest, and in all other aspects shall be conducted in compliance with the provisions of the FDI Act and the Rules of Practice.

70. Respondents are hereby directed to file answers to this Notice within 20 days of the service of this Notice, as provided by section 263.19 of the Rules of Practice, 12 C.F.R. 263.19, with the OFIA, 1700 G Street, N.W., Washington, D.C. 20552. Pursuant to section 263.11(a) of the Rules of Practice, 12 C.F.R. § 263.11(a), any answer filed with the OFIA shall also be served on the Secretary of the Board of Governors. As provided in section 263.19(c)(1) of the Rules of Practice, 12 C.F.R. § 263.19(c)(1), the failure of the respondents to file an answer required by this Notice within the time provided herein shall constitute a waiver of his or her right to appear and contest the allegations of the Notice in which case the presiding officer is authorized, upon proper motion, to find the facts to be as alleged in the Notice and to file with the Secretary of the Board of Governors a recommended decision containing such findings and appropriate conclusions. Any final order issued by the Board based upon a failure to answer is deemed to be an order issued by consent.



71. Each of the respondents may submit to the Secretary of the Board of Governors, within 20 days of the service of this Notice, a written statement detailing the reasons why the hearing described in paragraph 68 hereof should not be public. The failure to submit such a statement within the aforesaid period shall constitute a waiver of any objection to a public hearing.

**Delegation of Authority**

72. Authority is hereby delegated to the Secretary of the Board of Governors to take any and all actions that the presiding officer would be authorized to take under the Board of Governors' Rules of Practice with respect to this Notice and any hearing conducted thereon, until such time as the presiding officer shall be designated by the OFIA as provided herein.

Dated at Washington, D.C., this \_\_\_\_ day of \_\_\_\_\_ 2002.

BOARD OF GOVERNORS OF THE  
FEDERAL RESERVE SYSTEM

By: \_\_\_\_\_  
Jennifer J. Johnson  
Secretary of the Board

## APPENDIX 1

1. Mr. Carl V. Thomas  
Ms. Eva Thomas  
2340 His Way  
Lawrenceville, Georgia 30044
2. Ms. Mary Beth Thomas  
2345 His Way  
Lawrenceville, Georgia 30044
3. Mr. Stephen Thomas  
1470 Rilla Cir.  
Lawrenceville, Georgia 30043
4. Ms. Marguerite Thomas  
11264 SW 59<sup>th</sup> Place  
Cooper City, Florida 33330
5. Mr. Stanley Phillips  
Ms. Rhonda Phillips  
106 Cedar Creek Lane  
Braselton, Georgia 30517
6. Mr. Charles Tomlinson  
1642 Marie Way  
Lawrenceville, Georgia 30043
7. Mr. James C. Agee  
123 Bethesda Church Road  
Lawrenceville, Georgia 30044
8. Mr. Forrest Buckley  
834 Hickory Ridge Road  
Lilburn, Georgia 30047
9. Mr. Herbert Phillips  
2355 His Way  
Lawrenceville, Georgia 30044
10. Mr. Lloyd Phillips  
3788 Braselton Hwy.  
Buford, Georgia 30519

11. Mr. R.L. Phillips  
3808 Braselton Hwy.  
Buford, Georgia 30519
12. Mr. Dale Skrobot  
Ms. Betty Skrobot  
1036 Whispering Woods Dr.  
Canton, GA 30114
13. Mr. James C. Crowe  
660 Brandi Lane  
Lawrenceville, Georgia 30044
14. Mr. Mike Sahlgren  
2030 Amberly Glenway  
Dacula, GA 30019-2642
15. Mr. Harper M. Guinn  
825 Hickory Ridge Road  
Lilburn, Georgia 30047
16. Mr. Jeff Guinn  
1143 Spanish Moss Ct.  
Lawrenceville, GA 30045
17. Mr. Scott Ward  
Ms. Angela Ward  
1152 Harbins Road  
Dacula, Georgia 30019
18. Mr. Johnny V. Jones  
3127 Roberts Road  
Duluth, Georgia 30096

# Appendix 2

	A	B	C	D	E	F	G	H	I
1	Date	Buyer Name	Seller Name	No. Shares	Price/ Sh.	Purch. Am't	Indiv. % Ownership	Thomas FamilyAccum. % Ownership	Group Accum. % Ownership
2	08/19/97	Thomas, Carl/Eva	Haber, Andrea C.	300.000	8.25	2,475.00	0.083%	0.083%	0.083%
3	09/03/97	Thomas, Carl/Eva	Haber, Andrea C.	1,000.000	8.25	8,250.00	0.277%	0.360%	0.360%
4	09/03/97	Thomas, Carl/Eva	Haber, Andrea C.	846.000	8.50	7,191.00	0.234%	0.595%	0.595%
5	09/11/97	Thomas, Carl/Eva	Aronberg, Ralph	575.000	8.50	4,887.50	0.159%	0.754%	0.754%
6	09/19/97	Sophia Found.	Woeltjen, Donald H.	575.000	8.50	4,887.50	0.159%	0.913%	0.913%
7	10/09/97	Crowe, James C.	Brandeis, Thomas H.	1,000.000	12.00	12,000.00	0.277%		1.190%
8	10/09/97	Sunshine Fin.	Donnelli, Gloria	822.000	12.00	9,864.00	0.228%		1.418%
9	10/09/97	Sunshine Fin.	Palermo, Margaret	1,000.000	12.00	12,000.00	0.277%		1.695%
10	10/10/97	Edwards, Richard	Ludovici, Philip	1,150.000	12.00	13,800.00	0.319%		2.014%
11	10/10/97	Phillips, R.L.	Heyder, Kenneth	7,343.000	11.85	87,381.70	2.034%		4.048%
12	10/14/97	Barber, William G.	Schwartz, Kenneth	6,475.000	12.00	77,700.00	1.794%	2.707%	5.842%
13	10/14/97	Carmichael, William L.	Gaines, Joanne/David	1,100.000	12.00	13,200.00	0.305%		6.147%
14	10/14/97	Phillips, Herb	Brandeis, Thomas H.	225.000	12.00	2,700.00	0.062%		6.209%
15	10/14/97	Phillips, Herb	Brandeis, Thomas H.	2,500.000	12.00	30,000.00	0.693%		6.902%
16	10/15/97	King, Solomon	Coiner, Margaret	111.000	12.00	1,332.00	0.031%		6.932%
17	10/15/97	King, Solomon	Schechtman, Jennifer	200.000	12.00	2,400.00	0.055%		6.988%
18	10/15/97	Nachalah Hold.	Sacks, Lee	1,150.000	12.00	13,800.00	0.319%	3.026%	7.306%
19	10/15/97	Tomlinson, Charles	Keller, Richard	4,140.000	12.00	49,680.00	1.147%		8.453%
20	10/16/97	Nieminen, David J.	Clifton, Virginia	200.000	12.00	2,400.00	0.055%		8.509%
21	10/16/97	Nieminen, David J.	Coiner, Margaret	56.000	12.00	672.00	0.016%		8.524%
22	10/16/97	Thomas, Carl/Eva	Keller, Richard	4,593.827	12.00	55,125.92	1.273%	4.299%	9.797%
23	10/16/97	Thomas, Carl/Eva	Shapiro, Noel/Jamie	11,500.000	12.00	138,000.00	3.186%	7.485%	12.983%
24	10/17/97	Buckley, Forrest	McVay, Hiromi	1,111.000	12.00	13,332.00	0.308%		13.291%
25	10/17/97	Crowe, James C.	Wellons, John	2,450.000	12.00	29,400.00	0.679%		13.970%
26	10/17/97	Jones, J.V.	Marks, Richard L.	1,150.000	12.00	13,800.00	0.319%		14.288%
27	10/17/97	King, Solomon	Kimball, Thomas Dale	60.000	12.00	720.00	0.017%		14.305%
28	10/17/97	King, Solomon	Thompson, Michael	222.000	12.00	2,664.00	0.062%		14.366%
29	10/17/97	Marant, Linda M.	Braun, Marvin	3,450.000	12.00	41,400.00	0.956%		15.322%
30	10/17/97	Nieminen, David/Gay Lynn	Cruz, Felipe S.	1,388.000	12.00	16,656.00	0.385%		15.707%
31	10/17/97	Phillips, Lloyd	Eidenre, Claire	1,500.000	12.00	18,000.00	0.416%		16.122%
32	10/17/97	R&T Found.	David, Ron	1,150.000	12.00	13,800.00	0.319%		16.441%
33	10/17/97	Sahlgren, Michael	McVay, James S.	555.000	12.00	6,660.00	0.154%		16.595%
34	10/17/97	Thomas, Mary Beth	Fandetti Family Ltd.	2,777.000	12.00	33,324.00	0.769%	8.254%	17.364%
35	10/20/97	Marant, Grant	Marlane, Arline	575.000	12.00	6,900.00	0.159%		17.523%
36	10/21/97	Ward, Scott/Angela	Fonseca, Clara	1,000.000	12.00	12,000.00	0.277%		17.800%
37	10/22/97	Barber, Robert G.	Schwartz, Allan	1,150.000	12.00	13,800.00	0.319%		18.119%
38	10/22/97	Barber, Robert G.	Schwartz, Elizabeth	230.000	12.00	2,760.00	0.064%		18.183%
39	10/27/97	Skrobot, Dale/Betty	Kromsky, Frank	1,150.000	12.00	13,800.00	0.319%		18.501%
40	10/28/97	Rouse, James	Periman, Eli/Bess	333.000	12.00	3,996.00	0.092%		18.594%
41	10/29/97	Agee, James	Schwartz, Thomas	230.000	12.00	2,760.00	0.064%		18.657%
42	10/30/97	Guinn, Jeff	Kingsley, Ralph	230.000	12.00	2,760.00	0.064%		18.721%
43	10/30/97	Rouse, Jenene	Schwartz, Jay	575.000	12.00	6,900.00	0.159%		18.880%
44	10/30/97	Tomlinson, Charles	Smotherman, W.	2,700.000	12.00	32,400.00	0.748%		19.628%
45	10/30/97	Tomlinson, Charles	Ward, Fred	1,111.000	12.00	13,332.00	0.308%		19.936%
46	10/31/97	Edwards, Jeremy	Schwartz, Steven	230.000	12.00	2,760.00	0.064%		20.000%
47	10/31/97	Edwards, Vivian	Schwartz, Nancy	230.000	12.00	2,760.00	0.064%		20.064%
48	10/31/97	Nieminen, Gay Lynn	Schwartz, Wm.	230.000	12.00	2,760.00	0.064%		20.127%
49	10/31/97	Phillips, Stanley/Rhonda	Stark, David	681.250	12.00	8,175.00	0.189%		20.316%
50	11/03/97	R&T Found.	LaPlant, Cy /Barbara	1,150.000	12.00	13,800.00	0.319%		20.635%
51	11/04/97	Smith, Bertram	Schwartz, David	230.000	12.00	2,760.00	0.064%		20.698%
52	11/04/97	Smith, Bertram	Trierweiler, J.T.	575.000	12.00	6,900.00	0.159%		20.858%
53	11/10/97	Guinn, Harper	Mayer, Fred	2,875.000	12.00	34,500.00	0.797%		21.654%

# Appendix 2

	A	B	C	D	E	F	G	H	I
1	Date	Buyer Name	Seller Name	No. Shares	Price/ Sh.	Purch. Am't	Indiv. % Ownership	Thomas FamilyAccum. % Ownership	Group Accum. % Ownership
54	11/17/97	Tomlinson, Charles	Mathis, Jay	2,300.000	12.00	27,600.00	0.637%		22.291%
55	11/18/97	Sophia Leas.	Cotler, Richard	575.000	12.00	6,900.00	0.159%	8.413%	22.451%
56	11/18/97	Thomas, Marguerite	Turk, Pamela	125.000	12.00	1,500.00	0.035%	8.448%	22.485%
57	11/18/97	Thomas, Marguerite	Ward, King	115.000	12.00	1,380.00	0.032%	8.480%	22.517%
58	11/19/97	Smith, Bertram	Manitou Corporation	575.000	12.00	6,900.00	0.159%		22.676%
59	11/19/97	Smith, Bertram	Wise, Florence	1,150.000	12.00	13,800.00	0.319%		22.995%
60	11/20/97	Tomlinson, Charles	Friedman, Milton	575.000	12.00	6,900.00	0.159%		23.154%
61	12/01/97	R&T Found.	Arch, Mary	1,150.000	12.00	13,800.00	0.319%		23.473%
62	12/01/97	R&T Found.	Arch, Yvonne	4,600.000	12.00	55,200.00	1.274%		24.747%
63	12/02/97	Thomas, Carl/Eva	Clubs Agency, Inc.	575.000	12.20	7,015.00	0.159%	8.639%	24.907%
64	12/02/97	Thomas, Carl/Eva	Diamond, Fred/Sue	575.000	12.20	7,015.00	0.159%	8.798%	25.066%
65	12/02/97	Thomas, Carl/Eva	Waas, Rhoda	575.000	12.00	6,900.00	0.159%	8.957%	25.225%
66	12/23/97	Callahan, Mathew	Holtz, Viola	1,150.000	12.00	13,800.00	0.319%		25.544%
67	01/13/98	Tomlinson, Charles	Dunsford Insurance	575.000	12.00	6,900.00	0.159%		25.703%
68	02/12/98	Thomas, Carl/Eva	Hinson, Clyde/Carol	12,500.000	12.00	150,000.00	3.463%	12.420%	29.166%
69	02/26/98	Tomlinson, Charles	Domb, Alexander	2,875.000	12.00	34,500.00	0.797%		29.963%
70		Purchasing Group's total share purchases =		108,150.077					
71									
72		First Western's total outstanding shares =		360,947.140					